

**LSU SHREVEPORT ALUMNI ASSOCIATION****FINANCIAL STATEMENTS****JUNE 30, 2012 and 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **OCT 31 2012**

LSU Shreveport Alumni Association  
Shreveport, Louisiana

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## Independent Auditors' Report

To the Board of Directors  
LSU Shreveport Alumni Association  
Shreveport, Louisiana

We have audited the accompanying statements of financial position of the LSU Shreveport Alumni Association (a nonprofit organization) as of June 30, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the LSU Shreveport Alumni Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the LSU Shreveport Alumni Association as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.



Cook & Morehart  
Certified Public Accountants  
October 19, 2012

LSU Shreveport Alumni Association  
Shreveport, Louisiana  
Statements of Financial Position  
June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 62,650	\$ 47,964
Inventory	130	386
Prepaid expenses	1,878	1,823
Total current assets	<u>64,658</u>	<u>50,173</u>
Fixed assets:		
Furniture and fixtures	2,810	2,810
Less: accumulated depreciation	<u>(2,810)</u>	<u>(2,810)</u>
Total net fixed assets	<u>          </u>	<u>          </u>
 Total Assets	 <u>\$ 64,658</u>	 <u>\$ 50,173</u>
 <b>Liabilities and Net Assets:</b>		
Current liabilities:		
Accounts payable	\$ 15,175	\$ 2,435
Total current liabilities	<u>15,175</u>	<u>2,435</u>
Net assets:		
Unrestricted	47,187	44,005
Temporarily restricted	2,296	3,733
Total net assets	<u>49,483</u>	<u>47,738</u>
 Total Liabilities and Net Assets	 <u>\$ 64,658</u>	 <u>\$ 50,173</u>

The accompanying notes are an integral part of the financial statements.

LSU Shreveport Alumni Association  
Shreveport, Louisiana  
Statement of Activity  
For the Year Ended June 30, 2012

	Unrestricted	Temporarily Restricted	Total
Revenue and Other Support:			
Public support:			
Special events and fund raising	\$ 59,948		\$ 59,948
Special events - inkind donations	14,480		14,480
Total public support	<u>74,428</u>		<u>74,428</u>
Other revenue:			
Membership dues	4,565		4,565
Miscellaneous income	606		606
Total other revenue	<u>5,171</u>		<u>5,171</u>
Net assets released from restrictions:			
Restrictions satisfied by expending funds for the purpose intended	<u>1,437</u>	<u>(1,437)</u>	
Total revenues and other support	<u>81,036</u>	<u>(1,437)</u>	<u>79,599</u>
Expenses:			
Program services - scholarships	6,277		6,277
Special events and fund raising	34,315		34,315
General and administrative:			
Advertising	743		743
Printing	1,564		1,564
Software maintenance	2,199		2,199
Subscriptions and memberships	330		330
Postage and mailing	677		677
Miscellaneous	6,572		6,572
Food and beverages for receptions and board meetings	6,279		6,279
Supplies	4,703		4,703
Professional fees	5,400		5,400
Public relations	8,015		8,015
Rental	780		780
Total general and administrative	<u>37,262</u>		<u>37,262</u>
Total expenses	<u>77,854</u>		<u>77,854</u>
Change in net assets	3,182	(1,437)	1,745
Net assets as of beginning of year	<u>44,005</u>	<u>3,733</u>	<u>47,738</u>
Net assets as of end of year	<u>\$ 47,187</u>	<u>\$ 2,296</u>	<u>\$ 49,483</u>

The accompanying notes are an integral part of the financial statements.

LSU Shreveport Alumni Association  
Shreveport, Louisiana  
Statement of Activity  
For the Year Ended June 30, 2011

	Unrestricted	Temporarily Restricted	Total
Revenue and Other Support:			
Public support:			
Special events and fund raising	\$ 65,426	\$ 3,687	\$ 69,113
Special events - in kind donations	13,883		13,883
Total public support	79,309	3,687	82,996
Other revenue:			
Membership dues	4,990		4,990
Net assets released from restrictions:			
Restrictions satisfied by expending funds for the purpose intended	2,452	(2,452)	
Total revenues and other support	86,751	1,235	87,986
Expenses:			
Program services - scholarships	15,384		15,384
Special events and fund raising	28,261		28,261
General and administrative:			
Advertising	790		790
Printing	2,164		2,164
Software maintenance	2,135		2,135
Subscriptions and memberships	405		405
Postage and mailing	544		544
Miscellaneous	4,128		4,128
Website maintenance	5,264		5,264
Food and beverages for receptions and board meetings	2,470		2,470
Supplies	5,998		5,998
Professional fees	5,400		5,400
Rental	715		715
Student worker	2,768		2,768
Total general and administrative	32,781		32,781
Total expenses	76,426		76,426
Change in net assets	10,325	1,235	11,560
Net assets as of beginning of year	33,680	2,498	36,178
Net assets as of end of year	\$ 44,005	\$ 3,733	\$ 47,738

The accompanying notes are an integral part of the financial statements.

LSU Shreveport Alumni Association  
Shreveport, Louisiana  
Statements of Cash Flows  
For the Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Operating Activities		
Change in net assets	\$ 1,745	\$ 11,560
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
(Increase) decrease in operating assets:		
Inventory	256	(59)
Prepaid expenses	(55)	(53)
Increase (decrease) in operating liabilities:		
Accounts payable	<u>12,740</u>	<u>(4,574)</u>
Net cash provided by (used in) operating activities	<u>14,686</u>	<u>6,874</u>
Cash and cash equivalents as of beginning of year	<u>47,964</u>	<u>41,090</u>
Cash and cash equivalents as of end of year	<u><u>\$ 62,650</u></u>	<u><u>\$ 47,964</u></u>

The accompanying notes are an integral part of the financial statements.

LSU Shreveport Alumni Association  
Shreveport, Louisiana  
Notes to Financial Statements  
June 30, 2012 and 2011

(1) Summary of Significant Accounting Policies

A. Nature of Activities

LSU Shreveport Alumni Association ("Association") is a 501(c)3 nonprofit organization incorporated under the laws of the State of Louisiana. The Association supports the mission of Louisiana State University in Shreveport ("LSUS"). The Association provides funds for scholarships, helps promote enrollment, supports the continuation and expansion of programs at LSUS, and encourages community involvement through financial contributions and cooperative events with community and civic organizations.

A description of the Association's programs are as follows:

**Membership Drive** – Conducted annually, to encourage those qualified to join or renew membership in the Association.

**Annual Golf Classic** – A golf tournament is held annually as part of the Association's fund raising efforts. Proceeds are used for scholarships, programs, projects and services that benefit LSUS.

**RiverBend Revue Silent Auction** – Silent auction held as part of fund raising efforts. Proceeds are used for programs, projects, services and scholarships that benefit LSUS.

**Scholarships** – The Association provides funds to the LSU in Shreveport Foundation, Inc. to provide for scholarships for eligible students.

B. Basis of Accounting

The financial statements of the Association have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

C. Basis of Presentation

Financial statement presentation follows the requirements of Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Association is required to report information regarding its financial position and activities based on the absence or existence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

*Unrestricted net assets* - Net assets that are not subject to donor-imposed stipulations. Some unrestricted net assets may be designated by the Board for specific purposes.

*Temporarily restricted net assets* - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Association, and/or by the passage of time.

*Permanently restricted net assets* - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association. Generally, donors permit all or part of the income earned on these assets to be used for general or specific purposes. There were no permanently restricted net assets of the Association as of June 30, 2012 and 2011.

(Continued)



LSU Shreveport Alumni Association  
Shreveport, Louisiana  
Notes to Financial Statements  
June 30, 2012 and 2011  
(Continued)

D. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

E. Cash and Cash Equivalents

Cash equivalents, as stated for cash flow purposes, consist of non-interest bearing bank accounts and short term highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

F. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The Association has established a capitalization policy of \$500 per unit. Minor additions and renewals are expensed in the year incurred. The estimated useful life of the assets being depreciated is as follows:

Furniture and fixtures – 5 years

G. Revenue and Support

Donations and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished) in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

H. Income Tax Status

The Association is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the organization's tax-exempt purpose is subject to taxation as unrelated business income. The Association had no such income during this audit period. The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ended June 30, 2009, 2010, 2011, and 2012 are subject to examination by the IRS, generally three years after they were filed.

(Continued)

LSU Shreveport Alumni Association  
Shreveport, Louisiana  
Notes to Financial Statements  
June 30, 2012 and 2011  
(Continued)

I. In-Kind Donations

The Association receives in-kind donations of noncash items as part of the fund raising activities. The estimated fair value of these donated items have been recorded as special events in-kind donations revenue and included in special events and fund raising expense. In-kind donations for the years ended June 30, 2012 and 2011 were \$14,480 and \$13,883 respectively.

(2) Concentrations of Credit Risk

*Financial instruments that potentially subject the Association to concentration of credit risk consist principally of cash. The Association maintains cash balances at a local financial institution. The account at that institution is guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. There were no uninsured balances at that institution at June 30, 2012 and 2011.*

(3) Subsequent Events

Subsequent events have been evaluated through October 19, 2012, the date the financial statements were available to be issued.

(4) Designation of Unrestricted Net Assets

The Board of Directors of the Association designated \$6,277 of unrestricted net assets at June 30, 2012 for student recruitment purposes.

# COOK & MOREHART

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The Board of Directors  
LSU Shreveport Alumni Association  
Shreveport, Louisiana

The Board of Supervisors  
Louisiana State University System  
Baton Rouge, Louisiana

## Independent Accountants' Report on Applying Agreed-Upon Procedures

We have performed the procedures enumerated below, which were agreed to by management of the LSU Shreveport Alumni Association solely to assist you in evaluating management's assertion that they complied with the regulations set forth in the July 1, 2009, Uniform Affiliation Agreement with Louisiana State University related to expenditures for the fiscal year ended June 30, 2012. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### Procedures and Findings

1. Determine that the Affiliate maintains a written policy regarding the handling and resolution of audit findings, audit exceptions, and any misuse of funds, and that a copy of this policy has been provided to the University.

We obtained the written policy maintained by the LSU Shreveport Alumni Association's management regarding the handling and resolution of audit findings, audit exceptions, and any misuse of funds. We inquired of Dianne Howell, Executive Director of the LSU Shreveport Alumni Association, who represented that a copy of this policy was provided to the University.

2. Determine that the governing board of the Affiliate has established and implemented policies governing all disbursements for administrative and operating expenses. Determine that the policies provided for sound and prudent business practices, the payment or reimbursement of ordinary, necessary and reasonable business expenses, and the avoidance of conflicts-of-interests. Determine that generally, adherence to these policies provides reasonable assurance of compliance with the Uniform Affiliation Agreement.

We obtained the policies established by the governing board of the LSU Shreveport Alumni Association governing all disbursements for administrative and operating expenses. Based on our review of the policies as compared to the Uniform Affiliation Agreement, the policies appear to provide for sound prudent business practices, the payment or reimbursement of ordinary, necessary and reasonable business expenses, and the avoidance of conflicts-of-interest. Adherence to these policies, generally, should provide reasonable assurance of compliance with the Uniform Affiliation Agreement.

3. Determine that the governing board of the Affiliate has adopted and maintained a policy regulating conflicts of interest. Determine that generally adherence to the policy provides reasonable assurance of compliance with the Uniform Affiliation Agreement.

We obtained the written Conflict of Interest Policy which was adopted by the governing board of the Affiliate. We also determined that the policy provided reasonable assurance of compliance with the Uniform Affiliation Agreement.

4. Determine that any onerous donations are accepted in accordance with the Uniform Affiliation Agreement.

All donations were accepted in accordance with the Uniform Affiliation Agreement.

5. Determine that purchasing any immovable property is in accordance with the Uniform Affiliation Agreement.

No immoveable property was purchased.

6. Determine that selling, donating, or otherwise transferring any immovable property is in accordance with the Uniform Affiliation Agreement.

There was no selling, donating, or transferring of any immovable property.

7. Determine that leasing any property, facility, or portion of a facility is in accordance with the Uniform Affiliation Agreement.

No property, facility, or portion of a facility was leased.

8. Determine that the creating of a legal entity as a subsidiary or component of the Affiliate is in accordance with the Uniform Affiliation Agreement.

No legal entity was created by the Affiliate.

9. Determine that entering into any cooperative endeavor or similar agreement is in accordance with the Uniform Affiliation Agreement.

The Affiliate did not enter into any cooperative endeavor or similar agreement.

10. Determine that any supplemental compensation or benefits for any University employee are in accordance with the Uniform Affiliation Agreement.

No supplemental compensation or benefits were paid for any University employee.

11. Provide reasonable assurance that the following is in accordance with the Uniform Affiliation Agreement:

- a. All payments made to or on behalf of University employees for travel, moving, relocation, entertainment, educational benefits, and other reimbursements have been approved by the employee's dean, vice chancellor, or other equivalent administrative official.

- b. All payments for moving and relocation expenses of University employees covered by PM 69.

- c. There have been no payments made for expenses that are solely for the private benefit of a University employee (or the family or spouse of a university employee or other non-employee who is on University business) except as provided for in subsections 6.3.7 and 6.6 of the Uniform Affiliation Agreement.

- d. No fines, forfeitures or penalties of University employees have been paid.

- e. No gifts represented to be personally from a University employee in his or her personal capacity.

- f. No political contributions which are prohibited by federal or state law or regulations.
- g. No payments have been made for any expense or reimbursement which would create, under all the circumstances, a reasonable conclusion on behalf of the Affiliate that the amount is extravagant or lavish beyond the appropriate University purpose.
- h. No funds have been disbursed in connection with contracts (or other agreements) between the Affiliate and a University employee unless justified in accordance with the Uniform Affiliation Agreement.

We obtained the LSU Shreveport Alumni Association's check register for the period from July 1, 2011 through June 30, 2012. We randomly selected a sample of 31 expenditures and reviewed the supporting documentation for the selected expenditures to observe whether the expenditures were allowed and in accordance with the Uniform Affiliation Agreement. Adherence to this agreement is the responsibility of LSU Shreveport Alumni Association's management. Management of the LSU Shreveport Alumni Association has represented that the existence of the supporting documentation represents their evidence of the compliance with the agreement.

The expenditures tested appeared to be in compliance with the Uniform Affiliation Agreement governing all disbursements for administrative and operating expenses.

We obtained the written representation from Brian K. Wooten, President of the LSU Shreveport Alumni Association Board of Directors, that the LSU Shreveport Alumni Association was in substantial compliance for the fiscal year 2011-12. (See Attachment A).

12. Determine that any "Managing Affiliate" agreements are in accordance with the Uniform Affiliation Agreement.

All "Managing Affiliate" agreements are in accordance with the Uniform Affiliation Agreement.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on management's assertion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the board of directors of the LSU Shreveport Alumni Association and management and the board of supervisors of the Louisiana State University System, and is not intended to be and should not be used by anyone other than these specified parties.



Cook & Morehart  
Certified Public Accountants  
October 19, 2012



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RIVERBEND REVUE  
SILENT AUCTION

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Attachment A

October 19, 2012

Re: Statement of Compliance

LSU in Shreveport Alumni Association goes on record as being in compliance for the fiscal year July 1, 2011 to June 30, 2012 with the Uniform Affiliation Agreement, with an effective date of July 1, 2009, entered into between the Board of Supervisor's of Louisiana State University Agricultural & Mechanical College and Louisiana State University in Shreveport Alumni Association.

Brian K. Wooten, MA  
President, Board of Directors  
Louisiana State University in Shreveport Alumni Association